



City Council Staff Report

From: City Manager
Report Type: CONSENT CALENDAR
Lead Department: Public Works

Meeting Date: December 16, 2024
Report #:2410-3591

TITLE

Approval of Increase of Construction Contingency for Contract No. C24190072 with O’Grady Paving, Inc. in the Amount of \$345,000 to Perform Additional Street Improvement Work on California Avenue and El Camino Real for Capital Improvement Program Projects PL-23000 and PL-12000; and Adoption of a Resolution Continuing the Closure of a Portion of California Avenue through 2025; CEQA Status – Categorically Exempt under CEQA Guidelines Sections 15301 and 15304

RECOMMENDATION

Staff recommends that Council:

1. Authorize the City Manager or their designee to approve an increase of construction contingency for Contract No. C24190072 with O’Grady Paving, Inc. in an amount not to exceed \$345,000 for a total contract contingency amount not to exceed \$888,204; and
2. Adopt the attached resolution to continue the closure of the car-free portion of California Avenue through 2025.

EXECUTIVE SUMMARY

This funding will enable near-term street improvements to establish California Avenue as a car-free street including bicycle improvements at the California Avenue and El Camino Real intersection. The improvements will replace temporary barriers, enhance pedestrian and bicycle infrastructure, and create visually identifiable entrances at El Camino Real, Ash Street, and Birch Street.

The proposed improvements align with Council direction to permanently close portions of California Avenue to vehicles while prioritizing pedestrian place-making, bicycle connectivity, and safety. Enhancements included in the O-Grady Paving, Inc. work include vehicle pavement markings removal, colored paving, two-way bicycle lanes, and bollards to restrict vehicle traffic yet permit emergency and service access. These improvements support long-term flexibility for future investments in California Avenue’s streetscape and will precede other work, such as installation of planters and plantings.

Stakeholder outreach was conducted from February to September 2024 engaging merchants, residents, and community groups. Feedback from these sessions informed the scope of improvements, addressing concerns to replace temporary barriers, improve wayfinding, and enhance California Avenue's visibility as a business, outdoor dining, shopping, and pedestrian friendly and bicycle accessible destination.

Lastly, the attached resolution will continue to authorize the City Manager to close the car-free portion of California Avenue to vehicular traffic through 2025. This will allow continuity while the general plan amendment and CEQA review necessary to close the street permanently are completed (anticipated for Spring 2025).

BACKGROUND

The Public Works Engineering Services Division manages construction contracts for concrete repair, preventive maintenance, resurfacing, and reconstruction of various City streets annually. On March 11, 2024, Council approved the Fiscal Year 2024 Asphalt Paving Project with O'Grady Paving, Inc.¹

Temporary Street Closure

The temporary closure of California Avenue began with the June 20, 2020 City Council approval of Resolution No. 9909 to temporarily close portions of California Avenue through Labor Day 2020 to allow outdoor dining and retail, including a temporary pilot parklet program in response to county and state regulations related to COVID-19 limits on indoor activities. The sunset date of temporary closures was extended several times since then by Council. In November 2023, Council directed staff on the future of California Avenue, including maintaining California Avenue as a car-free street with current areas of street closure to be made permanent; creating a two-way slow bike lane down the center of California Avenue in the car-free area; installing wayfinding signage on California Avenue primarily to promote retail businesses and events; and initiating a branding program based on the historic and contemporary strengths of the California Avenue/Mayfield District. Council last extended the temporary closure on November 6, 2023.²

On November 6, 2023, the Council provided input on near-term projects to advance the Council's direction to maintain California Avenue as a car-free street with the current areas of street closure to be made permanent. Additionally, Council directed staff to work to direct pedestrian traffic to the sidewalks, create a two-way bicycle lane in the car-free area, install gateway and wayfinding signage, create a branding program, and conduct regularly scheduled street clean up and maintenance. Council approved Urban Field Studio (UFS) Contract Number C24118179 on December 18, 2023³ and staff initiated development of near-term project

¹ City Council, March 11, 2024; Agenda Item #8; SR #2401-2479
<https://portal.laserfiche.com/Portal/DocView.aspx?id=70851&repo=r-704298fc>

² City Council, November 6, 2023; Agenda Item #9; SR #2309-2011
<https://portal.laserfiche.com/Portal/DocView.aspx?id=68311&repo=r-704298fc>

³ City Council, December 18, 2023, Agenda Item #13

concepts to create identifiable, safe, and attractive entrances to the car-free portion of California Avenue at El Camino Real and at the Ash and Birch Street intersections. Enhancements to be constructed by O-Grady Paving, Inc, include vehicle pavement markings removal, colored paving, two-way bicycle lanes, and bollards to restrict vehicle traffic yet permit emergency and service access as shown in Attachment A. This work will precede installation of planters and planting by a separate contractor, Frank & Grossman.

Caltrans Encroachment Permit

On October 1, 2024, an Encroachment Permit application was submitted by the City of Palo Alto for improvements at the El Camino Real/California Avenue intersection. City and Caltrans staff have coordinated extensively over the past few months to define the scope of City and Caltrans intersection improvements to add colored stamped asphalt paving, reconfigured bicycle and travel lane markings, and associated changes in signage, signal loop detection for bicycles and vehicles, and signal head changes to advance the function and identity of California Avenue as a car-free street. Caltrans recently informed the City that they will not allow stamped crosswalks at this intersection and instead will require Caltrans standard crosswalks due to bicycle safety concerns. In November, Caltrans requested additional information regarding traffic operations, structural calculations, design standard exception documentation, intersection crash data and electrical documentation. Staff is coordinating with Caltrans to provide the requested information and navigate the permit issuance.

Car Free California Avenue

On December 18, 2023⁴, the City Council approved an updated Urban Field Studio (UFS) contract to develop a Car-Free Streets Implementation Plan, advancing the Council's direction to maintain California Avenue as a permanently car-free street. The consultant's scope of work includes signage, branding, and wayfinding; outdoor patio guidelines and standards; street design concepts; cost estimation; and project management services. A California Avenue Signage and Wayfinding Plan is now complete, and a preliminary draft of outdoor dining guidelines and standards is scheduled for staff review early next year.

Street design alternatives to transform California Avenue into a vibrant, permanently car-free destination, are in development and will emphasize pedestrian and bicycle accessibility, including a two-way bike route down the street, outdoor dining, public gathering spaces, landscaping, seating, and streetscape elements. The car-free designation will permanently prohibit vehicle traffic, with limited access for emergency, utility, and service vehicles, as well as time-restricted use for Sunday Farmers' Market activities, deliveries, and loading. Staff will

<https://portal.laserfiche.com/Portal/DocView.aspx?id=69383&repo=r-704298fc&searchid=cae9771c-aacf-4f85-9ce1-6ce14c711550>

⁴ City Council, December 18, 2023, Agenda Item #13,

<https://portal.laserfiche.com/Portal/DocView.aspx?id=69383&repo=r-704298fc&searchid=cae9771c-aacf-4f85-9ce1-6ce14c711550>

return to Council in early 2025 with additional updates. Council action to amend the Comprehensive Plan and associated CEQA action is anticipated in Spring 2025.

ANALYSIS

Approval of the increase in construction contingency will enable O'Grady Paving, Inc. to undertake a set of coordinated near-term improvements to replace all temporary traffic barriers and extend pedestrian and bicycle improvements across El Camino Real to establish California Avenue's function and identity as a car-free street. The improvements at El Camino Real and the Ash and Birch Street intersections will create attractive and identifiable entrance environments to the permanently closed portion of California Avenue.

The improvements will advance the following objectives:

- Prohibit vehicle traffic on the closed portion of California Avenue, yet enable restricted vehicle access for emergency, utility, maintenance, trash, street cleaning, California Avenue Farmers' Market, and service vehicles.
- Prioritize pedestrian place-making by creating an identifiable entrance to California Avenue as a car-free street and ensuring a safe buffer from the high volume and speed of vehicle traffic on El Camino Real and vehicles on Ash Street and Birch Street.
- Introduce two-way bicycle infrastructure at the El Camino Real and Birch Street intersections linking the closed portion to the class II bike lanes to the west and narrows to the east.
- Avoid and minimize impacts to below grade utilities.
- Create a solution that supports future investment to adapt or reimagine the street long-term.

The increase in contingency enables O'Grady Paving, Inc, to undertake the work. Another contract already awarded to Frank and Grossman is for the purchase and installation of planters and plantings, including the demolition of the existing California Avenue concrete sign and removal of the granite rocks as shown in Attachment B. The Frank and Grossman contract is funded as part of the California Avenue Streetscape Update (PL-23000) project as approved in the Fiscal Year 2025 Adopted Capital Improvement Program. Signage improvements will be completed by other contractors.

The total change order amount for the improvements is \$479,600. Staff has reviewed the change order proposal submitted by O'Grady Paving, Inc. and believes the price is fair and in line with pricing for other recent street resurfacing work.

Approval of the resolution is necessary to continue to keep the car-free portion of California Avenue closed to vehicular traffic. A general plan amendment and associated CEQA review are currently underway to effectuate a permanent closure and staff will return to Council for approval (anticipated for Spring 2025).

FISCAL/RESOURCE IMPACT

Funding for the additional contingency recommended in this report is available in the Fiscal Year 2025 Adopted Capital Improvement Program Transportation and Parking Improvements (PL-12000) and California Avenue Streetscape Update (PL-23000) projects. The funding allocation for the additional contingency is as follows:

Table 1: Funding Allocation	
Funding Source	Contingency Amount
PL-12000 Transportation & Parking Improvements	\$245,000
PL-23000 California Avenue Streetscape Update	\$100,000
Total	\$345,000

The remaining contingency amount needed to process the change order for the improvements (\$134,600) will come from the Street Maintenance project (PE-86070). That contingency was already included with Council's approval of the Fiscal Year 2024 Asphalt Paving Project on March 11, 2024.

STAKEHOLDER ENGAGEMENT

From February to November 2024, staff and Urban Field Studio (UFS) engaged with California Avenue merchants, residents, and community members to gather feedback and inform the Car-Free Streets Plan and near-term improvements.

Merchant Engagement

- February: staff and UFS met with merchants to launch the plan and address priority concerns, including removing temporary barriers, improving cleaning and maintenance, enhancing wayfinding and signage to signal that California Avenue is "open for business" from El Camino Real, and replacing existing barrier covers.
- March: an in-person workshop gathered input on place identity, branding, wayfinding, and signage.
- April: staff and UFS met on-site with merchants to discuss street design goals and preferences. Feedback also informed near-term improvements at key intersections, including El Camino Real, Ash Street, and Birch Street, using elements such as colored paving, planters, signage, and bollards.
- May: staff, UFS, and Kimley-Horn worked with merchants to address unmet circulation and access needs, focusing on parking areas, Jacaranda Lane, Mayfield Lane and Ash Street.
- July: a merchant workshop focused on preferences for outdoor dining standards adapted to California Avenue's unique car-free context.
- Staff continued to meet and update California Avenue merchants throughout October and November, ensuring their voices remained central to the planning process.

Community and Resident Engagement

- May and June: staff engaged with residents at the Evergreen Park neighborhood block party and the 3rd Thursday open house. Key themes included preferences for street design elements, concerns about vacancies, pedestrian and bicycle safety, and support for the Farmers' Market.
- June to August: an online survey received 940 responses, offering valuable insights into community preferences for street design elements, bicycle lanes, and place identity signage.
- August to September: staff engaged with Palo Alto Neighborhoods, the Pedestrian and Bicycle Advisory Committee, California Avenue Farmers' Market representatives, and merchants to gather additional feedback on street design elements and near-term improvements.

ENVIRONMENTAL REVIEW

Street resurfacing projects are categorically exempt from the California Environmental Quality Act (CEQA) under Section 15301c of the CEQA Guidelines as repair, maintenance and/or minor alteration of the existing facilities and no further environmental review is necessary. Approval of the resolution is categorically exempt under CEQA Guidelines Sections 15301 (existing facilities) and 15304 (temporary uses).

ATTACHMENTS

Attachment A: California Avenue Improvements Plan

Attachment B: California Avenue Landscape Improvements Plan

Attachment C: Resolution Extending City Manager's Authority to Temporary Close a Portion of California Avenue through 2025

APPROVED BY:

Brad Eggleston, Director Public Works/City Engineer